

City of Scottsdale, Arizona



**Comprehensive Annual Financial Report
for the fiscal year ended June 30, 2003**

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City of Scottsdale, Arizona

Comprehensive Annual Financial Report

For the Fiscal Year ended June 30, 2003

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Government-wide Expenses by Function

Last Two Fiscal Years (in thousands of dollars)

Table I

Fiscal Year	General Government	Police	Financial Services	Transportation	Community Services	Information Systems	Fire	Municipal Services	Citizen & Neighborhood Resources
2002	\$ 26,982	\$ 52,719	\$ 7,464	\$ 72,159	\$ 53,325	\$ 10,821	\$ 16,494	\$ 11,482	\$ 2,484
2003	23,926	54,469	7,883	71,837	52,222	11,901	18,127	12,290	2,433

Fiscal Year	Human Resources	Economic Vitality	Planning and Community Development	Streetlight Districts	Interest on Long-Term Debt	Water Utility	Sewer Utility	Airport	Solid Waste Utility	Total
2002	\$ -	\$ -	\$ 18,269	\$ 1,044	\$ 28,063	\$ 51,125	\$ 24,007	\$ 2,648	\$ 14,071	\$ 393,157
2003	3,601	6,421	11,908	1,099	27,786	50,406	22,862	2,476	13,783	395,430

Source:

City of Scottsdale Financial Services Department

Note:

The City implemented GASB 34 for the fiscal year ended June 30, 2002. Prior statements have not been restated to comply with the new requirements.

Amounts represent the results of operations for the primary government only.

These amounts are presented on the accrual basis of accounting and include depreciation expense.

Government-wide Revenues**Table II**

Last Two Fiscal Years (in thousands of dollars)

Program Revenues				General Revenues				
Fiscal Year	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Intergovernmental	Unrestricted Investment Earnings	Miscellaneous	Total
2002	\$ 146,520	\$ 9,626	\$ 116,145	\$ 167,105	\$ 57,492	\$ 17,305	\$ 6,321	\$ 520,514
2003	146,117	21,219	98,856	167,153	46,971	5,601	5,515	491,432

Source: City of Scottsdale Financial Services Department

Note:

The City implemented GASB 34 for the fiscal year ended June 30, 2002. Prior statements have not been restated to comply with the new requirements.

Amounts represent the results of operations for the primary government only.

These amounts are presented on the accrual basis of accounting.

General Governmental Expenditures by Function

Table III

General, Special Revenue, and Debt Service Funds

Last Ten Fiscal Years (in thousands of dollars)

Fiscal Year	General Government	Police	Financial Services	Transportation	Community Services	Information Systems	Fire	Municipal Services	Citizen & Neighborhood Resources	Human Resources	Economic Vitality	Planning and Development	Streetlight Districts	Debt Service	Capital Outlay	Total
1994	\$ 12,437	\$ 21,619	\$ 4,301	\$ 3,128	\$ 16,468	\$ -	\$ 7,545	\$ 13,993	\$ -	\$ -	\$ -	\$ 12,933	\$ 470	\$ 29,611	\$ -	\$ 122,505
1995	13,977	24,226	4,496	3,878	18,256	-	8,435	14,283	-	-	-	14,002	458	31,221	-	133,232
1996	16,797	27,253	4,967	4,870	19,937	-	10,132	16,405	-	-	-	16,553	486	36,440	-	153,840
1997	17,449	30,745	5,389	7,551	30,961	-	10,906	8,853	-	-	-	18,117	523	38,923	-	169,417
1998	13,209	35,093	5,983	5,763	36,316	6,118	11,817	7,602	-	-	-	17,090	449	44,725	-	184,165
1999	15,074	37,752	6,359	6,999	40,758	7,357	12,844	9,077	-	-	-	18,419	966	53,229	-	208,834
2000	16,104	41,392	6,448	7,335	41,790	6,681	14,338	9,695	-	-	-	19,903	942	59,106	-	223,734
2001	17,504	45,860	6,685	16,192	45,620	7,017	15,307	11,328	-	-	-	21,598	977	57,836	-	245,924
2002	19,175	49,362	7,135	10,016	49,276	7,380	16,281	11,214	2,235	-	-	18,040	1,044	56,214	3,770	251,142
2003	16,010	52,371	7,752	10,869	48,950	7,386	17,745	11,553	2,446	3,375	6,268	11,746	1,099	61,096	1,294	259,960

Source: City of Scottsdale Financial Services Department

Note:

A departmental reorganization occurred in fiscal 1997/98. Prior years have not been recast.

The Citizen & Neighborhood Resources Department was established in fiscal year 2001/02.

Human Resources and Economic Vitality departments were established in fiscal year 2002/03.

General Governmental Revenues by Source

Table IV

General, Special Revenue, and Debt Service Funds
Last Ten Fiscal Years (in thousands of dollars)

Fiscal Year	Taxes ⁽¹⁾	Inter-Governmental Revenue	Special Assessments	Licenses	Charges For Services	Fines and Forfeitures	Property Rental and Interest Earnings	Streetlight and Services Districts	Miscellaneous	Total
1994	\$ 63,996	\$ 33,609	\$ 5,643	\$ 876	\$ 10,499	\$ 1,711	\$ 4,818	\$ 515	\$ 10,194	\$ 131,861
1995	71,635	36,649	5,514	950	12,410	1,990	6,365	543	10,896	146,952
1996	81,389	40,434	7,896	1,055	12,587	2,748	6,813	474	11,590	164,986
1997	89,086	48,583	6,696	1,107	14,424	3,344	6,000	505	12,748	182,493
1998	102,138	49,635	4,927	1,107	17,229	4,274	7,664	558	15,091	202,623
1999	141,067	54,920	4,357	1,237	17,227	5,192	6,581	964	17,135	248,680
2000	156,017	58,626	3,740	1,717	19,711	5,105	7,721	968	14,345	267,950
2001	162,567	71,054	3,026	1,676	19,877	4,894	7,888	973	15,026	286,981
2002	164,459	70,044	2,339	1,815	20,038	5,234	8,464	1,012	10,176	283,581
2003	166,739	68,695	1,970	1,816	19,990	6,047	5,274	1,018	10,360	281,909

Source: City of Scottsdale Financial Services Department

Tax Revenues by Source

Table V

General, Special Revenue, and Debt Service Funds
Last Ten Fiscal Years (in thousands of dollars)

Fiscal Year	Privilege & Use ⁽¹⁾	Transient Occupancy Tax	General Property	Franchise	In-Lieu Property	Total Taxes
1994	\$ 37,741	\$ 4,465	\$ 17,666	\$ 3,885	\$ 239	\$ 63,996
1995	43,755	5,048	18,383	4,160	289	71,635
1996	49,476	5,702	21,396	4,533	282	81,389
1997	54,530	6,493	22,836	4,945	282	89,086
1998	61,771	7,096	27,663	5,332	276	102,138
1999	98,335	6,637	30,150	5,696	249	141,067
2000	110,069	7,235	32,591	5,891	231	156,017
2001	113,009	7,587	34,396	7,399	176	162,567
2002	111,698	6,691	38,413	7,461	196	164,459
2003	110,684	6,688	41,583	7,587	197	166,739

Source: City of Scottsdale Financial Services Department

Note:

⁽¹⁾Beginning in 1999, Privilege Tax for Transportation and McDowell Mountain were recorded in Special Revenue Funds. Prior to 1999, they were recorded in Capital Projects Funds. Prior years have not been recast. See also Table VI.

Excise Tax Collections by Source**Table VI****General, Special Revenue, and Debt Service Funds**

Last Ten Fiscal Years (in thousands of dollars)

Fiscal Year	Privilege & Use - General	Privilege & Use - Transportation	Privilege & Use - McDowell Mtn	Transient Occupancy Tax	State Shared Sales	State Revenue Sharing	Light & Power Franchise
1994	\$ 37,741	\$ 7,205	\$ -	\$ 4,465	\$ 9,210	\$ 8,479	\$ 2,822
1995	43,755	8,482	-	5,048	10,020	9,375	3,004
1996	49,476	9,522	9,085	5,702	10,676	9,936	3,187
1997	54,530	10,545	10,663	6,493	11,870	12,734	3,484
1998	61,771	11,963	12,168	7,096	12,537	14,387	3,769
1999	70,735	13,673	13,927	6,637	13,439	16,795	3,972
2000	78,649	15,880	15,540	7,235	14,772	18,637	4,314
2001	81,108	15,831	16,070	7,587	15,514	19,560	4,979
2002	80,297	15,587	15,814	6,691	15,621	21,142	5,238
2003	79,704	15,335	15,645	6,688	15,853	21,574	5,147

Fiscal Year	Cable TV Franchise	Fire Insurance Franchise	Business Licenses & Fees	Development Permits & Fees	Recreation Fees	Fines & Forfeitures	Total
1994	\$ 916	\$ 148	\$ 876	\$ 8,733	\$ 1,767	\$ 1,711	\$ 84,073
1995	1,003	152	950	10,590	1,820	1,990	96,189
1996	1,175	171	1,055	10,918	1,669	2,748	115,320
1997	1,275	186	1,107	12,019	2,405	3,344	130,655
1998	1,406	157	1,107	15,595	2,734	4,274	148,964
1999	1,552	172	1,237	14,311	2,916	5,192	164,558
2000	1,376	201	1,717	16,641	3,070	5,105	183,137
2001	2,147	273	1,676	16,850	3,027	4,894	189,516
2002	2,223	316	1,815	15,764	2,806	5,234	188,548
2003	2,440	414	1,816	15,853	3,000	6,047	189,516

Source: City of Scottsdale Financial Services Department

Note:

Beginning in 1999 Privilege Tax for Transportation and McDowell Mountain are recorded in Special Revenue Funds.

Prior to 1999 they were recorded in Capital Projects Funds.

Privilege and Use Tax Collections by Category

Table VII

General, Special Revenue, and Debt Service Funds

Last Ten Fiscal Years (in thousands of dollars)

Fiscal Year	Automotive	Construction	Food	Hotel	Major Department Stores	Misc. Retail	Other Tax	Rentals	Restaurants	Utilities	License Fees, Penalties, Interest & Refunds	Total
1994	\$ 6,274	\$ 7,498	\$ 3,261	\$ 2,983	\$ 4,674	\$ 7,483	\$ 2,484	\$ 4,246	\$ 3,170	\$ 2,083	\$ 790	\$ 44,946
1995	7,010	10,322	3,682	3,373	4,755	8,707	2,785	4,816	3,591	2,335	861	52,237
1996	9,403	14,010	4,803	4,459	5,688	11,437	4,174	5,922	4,632	3,026	529	68,083
1997	10,494	16,078	5,571	5,035	5,765	12,160	5,189	6,677	4,930	3,390	449	75,738
1998	12,426	19,183	5,968	5,371	6,580	13,519	5,594	7,788	5,322	3,674	477	85,902
1999	14,533	23,876	7,292	5,332	6,173	15,592	6,118	9,178	5,852	3,966	423	98,335
2000	18,025	24,377	7,899	5,710	7,815	16,562	6,472	10,290	6,471	4,805	1,643	110,069
2001	20,297	22,733	7,194	6,296	8,456	16,925	6,850	11,537	7,313	5,245	163	113,009
2002	20,862	21,948	7,202	5,430	8,737	15,538	6,104	12,248	7,282	5,501	846	111,698
2003	20,411	18,658	7,472	5,331	9,172	15,990	6,517	12,697	7,672	5,381	1,383	110,684

Source: City of Scottsdale Financial Services Department

Privilege and Use Tax Collections by Source ⁽¹⁾**Table VIII****General, Special Revenue and Debt Service Funds**

Last Ten Fiscal Years (in thousands of dollars)

Fiscal Year	General	Transportation ⁽²⁾	McDowell Preserve ⁽³⁾	Total
1994	\$ 37,741	\$ 7,205	\$ -	\$ 44,946
1995	43,755	8,482	-	52,237
1996	49,476	9,522	9,085	68,083
1997	54,530	10,545	10,663	75,738
1998	61,771	11,963	12,168	85,902
1999	70,735	13,673	13,927	98,335
2000	78,649	15,880	15,540	110,069
2001	81,108	15,831	16,070	113,009
2002	80,297	15,587	15,814	111,698
2003	79,704	15,335	15,645	110,684

Source: City of Scottsdale Financial Services Department

⁽¹⁾ Privilege Tax rates are 1 percent General, .2 percent for Transportation, and .2 percent for McDowell Reserve. Total City Privilege Tax rate is 1.4 percent.

⁽²⁾ Transportation Privilege Tax Legislation became effective in 1990 and is restricted to use for transportation capital projects only.

⁽³⁾ McDowell Preserve Privilege Tax Legislation became effective in 1996 and is restricted to use for acquisition of land for the McDowell Preserve.

Property Tax Levies and Collections

Table IX

Last Ten Fiscal Years (in thousands of dollars)

Tax Year	Fiscal Year	Total Tax Levy	Current Tax Collections	% of Levy Collected	Delinquent Tax Collections	Future Year Tax Collections	Total Tax Collections	Total Collections % of Current Levy	Outstanding Delinquent Taxes	Outstanding Delinquent % of Current Levy
1993	1994	17,133	16,404	95.7%	1,226	36	17,666	103.1%	697	4.1%
1994	1995	20,273	18,993	93.7%	637	9	19,639	96.9%	728	3.6%
1995	1996	21,475	20,960	97.6%	623	19	21,602	100.6%	706	3.3%
1996	1997	24,408	23,862	97.8%	533	21	24,416	100.0%	553	2.3%
1997	1998	28,202	27,433	97.3%	503	20	27,956	99.1%	657	2.3%
1998	1999	30,304	28,993	95.7%	625	1	29,619	97.7%	783	2.6%
1999	2000	32,747	30,896	94.3%	890	-	31,786	97.1%	879	2.7%
2000	2001	32,581	31,230	95.9%	978	-	32,208	98.9%	960	2.9%
2001	2002	36,166	34,895	96.5%	964	-	35,859	99.2%	952	2.6%
2002	2003	39,159	37,583	96.0%	999	-	38,582	98.5%	935	2.4%

Source: Maricopa County Treasurer's Office 2003 Secured Tax Levy Report
and City of Scottsdale Financial Services Department

Amounts represent property taxes recorded in the General, Debt Service and Self-Insurance Fund (beginning in 1995).

Assessed and Estimated Actual Value of Taxable Property

Table Xa

Last Ten Fiscal Years (in thousands of dollars)

COMPARATIVE ASSESSED VALUATION CLASSIFICATION

Fiscal Year	Real Estate	Improvements	Secured Personal	Unsecured Personal	Utilities Rails Wires	Gross Valuation	Exemptions	Net Taxable Valuation	Estimated Actual Valuation
1994 P	\$ -	\$ 1,136,492	\$ 30,271	\$ 94,651	\$ 67,694	\$ 1,329,108	\$ 478	\$ 1,328,630	\$ 9,415,061
S	541,280	619,463	30,271	94,662	67,725	1,353,401	479	1,352,922	9,560,216
1995 P	-	1,175,121	32,826	93,393	70,031	1,371,372	456	1,370,916	9,913,549
S	537,114	666,182	32,826	93,393	70,058	1,399,573	447	1,399,126	10,081,538
1996 P	-	1,296,789	32,768	50,496	73,949	1,454,002	410	1,453,592	10,916,431
S	550,624	822,631	32,768	50,496	73,976	1,530,496	407	1,530,089	11,361,417
1997 P	-	1,484,460	39,384	45,358	101,115	1,670,317	122,496	1,547,821	11,615,286
S	625,326	909,635	39,384	45,358	101,143	1,720,846	129,045	1,591,801	11,869,943
1998 P	-	1,652,051	39,510	49,608	102,884	1,844,053	122,998	1,721,055	13,064,052
S	655,657	1,120,622	39,510	49,608	102,946	1,968,343	129,293	1,839,050	13,876,821
1999 P	-	1,867,600	41,123	50,270	99,765	2,058,758	120,569	1,938,189	14,824,243
S	786,999	1,257,665	41,123	50,270	99,825	2,235,882	133,530	2,102,352	14,875,966
2000 P	-	2,197,631	42,123	54,263	105,941	2,399,958	148,417	2,251,541	17,194,773
S	888,057	1,565,076	42,123	54,623	106,030	2,655,909	171,524	2,484,385	18,597,657
2001 P	-	2,505,879	41,290	75,333	110,584	2,733,086	126,116	2,606,970	19,705,159
S	-	2,831,301	41,290	75,333	110,715	3,058,639	143,258	2,915,381	21,770,704
2002 P	-	2,868,585	41,290	83,798	119,572	3,113,245	166,942	2,946,303	22,500,935
S	-	3,258,789	41,290	83,798	119,584	3,503,461	225,510	3,277,951	24,790,147
2003 P	-	3,182,885	30,258	88,982	130,305	3,432,430	200,976	3,231,454	24,690,513
S	-	3,581,204	30,258	88,982	130,305	3,830,749	304,144	3,526,605	26,456,051

Source: AZ Department of Revenue/Property Tax Division, Abstract of the Assessment Roll 2001

Real estate and improvements are combined in the primary valuation.

Under Arizona law, there are two property valuation bases: PRIMARY (P) and SECONDARY (S). The primary (limited assessed valuation is used when levying for maintenance and operation of cities, school districts, community college districts, counties, and the state. The secondary (full cash) assessed valuation is used when levying for debt retirement, voter-approved budget overrides, and maintenance and operation of special service districts.

Beginning in 2001, Real Estate and Improvements are combined in the secondary valuation of the improvements total.

Assessed Values by Property Class

Table Xb

Last Ten Fiscal Years (in thousands of dollars)

Fiscal Year	Class 1 Mines, Utilities, Telecom., Comm. & Industrial	Class 2 Agricultural & Vacant Land	Class 3 Residential - Owner Occupied	Class 4 Residential - Leased & Common Areas	Class 5 Railroad, Private Car Co., & Airlines	Class 6 Historic, Non- commercial Special Use	Class 7 Commercial Historic	Class 8 Residential Historic	Class 9 Improvements on Possessory Interest	Total Net Full Cash Assessed Value
1994 P	510,029	186,349	552,152	80,086	-	6	-	-	7	1,328,629
S	521,916	193,931	554,901	82,161	-	6	-	-	7	1,352,922
1995 P	510,175	186,548	597,708	76,428	-	7	-	49	-	1,370,915
S	525,595	192,308	602,267	78,901	-	7	-	49	-	1,399,127
1996 P	506,734	170,989	688,356	87,279	-	174	-	-	59	1,453,591
S	549,166	186,704	694,908	98,650	-	600	-	-	59	1,530,087
1997 P	548,255	169,960	725,151	104,198	-	181	-	-	77	1,547,822
S	574,576	178,832	727,402	110,978	-	235	-	-	77	1,592,100
1998 P	588,375	161,690	859,920	110,800	-	195	-	-	77	1,721,057
S	639,829	176,979	900,682	121,287	-	195	-	-	77	1,839,049
1999 P	650,741	174,147	992,490	120,495	-	240	-	-	76	1,938,189
S	720,457	234,448	1,019,159	127,840	-	372	-	-	76	2,102,352
2000 P	763,432	198,745	1,132,548	156,291	-	525	-	-	-	2,251,541
S	875,189	269,034	1,172,250	166,530	-	1,382	-	-	-	2,484,385
2001 P	926,639	215,998	1,293,727	169,591	-	540	23	452	-	2,606,970
S	1,028,288	326,440	1,375,453	183,600	-	1,090	24	486	-	2,915,381
2002 P	1,014,713	233,757	1,515,221	182,336	-	277	-	-	-	2,946,304
S	1,111,891	352,574	1,618,041	195,031	-	414	-	-	-	3,277,951
2003 P	1,117,558	244,980	1,677,085	190,953	-	878	-	-	-	3,231,454
S	1,237,805	368,844	1,720,500	197,972	-	1,484	-	-	-	3,526,605

The above classes were revised by Maricopa County for 2001 pursuant to HB 2634. Prior years were restated for comparison.

A statewide reappraisal program assesses property values by usage classification on varying percentages of actual cash value. These percentages are as follows:

Property Class:		
1.	Mines, Utilities, Telecommunications, Comm. & Industrial	25%
2.	Agricultural & Vacant Land	16%
3.	Residential - Owner Occupied	10%
4.	Residential - Leased & Common Areas	10%
5.	Railroads, Private Car Cos., Airlines	21%
6.	Historic, Non-commercial Special Use	5%
7.	Commercial Historic	25%
8.	Residential Historic	10%
9.	Improvements on Gov Property	1%

Sources:

Arizona Department of Revenue/Property Tax
Division Abstract of the Assessment Roll 2001
Maricopa County Department of Finance

Property Tax Rates - Direct and Overlapping Governments

Table Xia

Tax Rates Per \$100 Assessed Valuation
Last Ten Fiscal Years

Fiscal Year	School Districts											Total
	City of Scottsdale	Scottsdale Unified	Community College	Maricopa County	State of Arizona	Flood District	Central Arizona Project	Fire District	Library	EVIT	Education Equalization	
1994 P	0.4940	4.3194	0.8532	1.5848	0.4700	-	-	-	-	-	-	7.7214
S	0.7812	1.5225	-	0.1878	-	0.3632	0.1400	0.0104	0.0417	-	-	3.0468
Total	1.2752	5.8419	0.8532	1.7726	0.4700	0.3632	0.1400	0.0104	0.0417	-	-	10.7682
1995 P	0.5987	4.5296	0.8934	1.2394	0.4700	-	-	-	-	-	0.5300	8.2611
S	0.8623	1.4114	-	0.0032	-	0.3632	0.1400	0.0107	0.0417	0.0554	-	2.8879
Total	1.4610	5.9410	0.8934	1.2426	0.4700	0.3632	0.1400	0.0107	0.0417	0.0554	0.5300	11.1490
1996 P	0.5477	4.6058	0.9455	1.1580	0.4700	-	-	-	-	-	0.5300	8.2570
S	0.8832	1.4597	0.1675	0.1464	-	0.3332	0.1400	0.0108	0.0099	0.0693	-	3.2200
Total	1.4309	6.0655	1.1130	1.3044	0.4700	0.3332	0.1400	0.0108	0.0099	0.0693	0.5300	11.4770
1997 P	0.6480	4.3390	0.9772	1.1054	-	-	-	-	-	-	0.5300	7.5996
S	0.9032	1.5526	0.0704	0.1575	-	0.3425	0.1400	0.0109	0.0421	0.1616	-	3.3808
Total	1.5512	5.8916	1.0476	1.2629	-	0.3425	0.1400	0.0109	0.0421	0.1616	0.5300	10.9804
1998 P	0.5763	4.1859	0.9747	1.1265	-	-	-	-	-	-	0.5300	7.3934
S	0.9941	1.5365	0.1599	0.1364	-	0.3425	0.1400	0.0105	0.0421	0.1216	-	3.4836
Total	1.5704	5.7224	1.1346	1.2629	-	0.3425	0.1400	0.0105	0.0421	0.1216	0.5300	10.8770
1999 P	0.5477	4.2161	0.9866	1.1472	-	-	-	-	-	-	0.5300	7.4276
S	0.9365	1.5842	0.1259	0.1312	-	0.3270	0.1400	0.0103	0.0421	0.1320	-	3.4292
Total	1.4842	5.8003	1.1125	1.2784	-	0.3270	0.1400	0.0103	0.0421	0.1320	0.5300	10.8568
2000 P	0.5450	4.3726	0.9741	1.1884	-	-	-	-	-	-	0.5217	7.6018
S	0.8318	1.3965	0.1544	0.1085	-	0.2858	0.1400	0.0100	0.0421	0.1217	-	3.0908
Total	1.3768	5.7691	1.1285	1.2969	-	0.2858	0.1400	0.0100	0.0421	0.1217	0.5217	10.6926
2001 P	0.5289	4.0442	0.9691	1.1641	-	-	-	-	-	-	0.5123	7.2186
S	0.6577	1.4113	0.1503	0.1152	-	0.2534	0.1300	0.0096	0.0421	0.1186	-	2.8882
Total	1.1866	5.4555	1.1194	1.2793	-	0.2534	0.1300	0.0096	0.0421	0.1186	0.5123	10.1068
2002 P	0.4858	4.0781	0.9583	1.1832	-	-	-	-	-	-	0.4974	7.2028
S	0.6667	1.3597	0.1524	0.0876	-	0.2319	0.1300	0.0091	0.0421	0.1120	-	2.7915
Total	1.1525	5.4378	1.1107	1.2708	-	0.2319	0.1300	0.0091	0.0421	0.1120	0.4974	9.9943
2003 P	0.5073	3.9430	0.9634	1.2108	-	-	-	-	-	-	0.4889	7.1134
S	0.6456	1.3597	0.1493	0.0800	-	0.2119	0.1300	0.0076	0.0421	0.1117	-	2.7379
Total	1.1529	5.3027	1.1127	1.2908	-	0.2119	0.1300	0.0076	0.0421	0.1117	0.4889	9.8513

Scottsdale residents residing outside Scottsdale Unified School District:

School District	2001/2002 Tax Rate Total
Balsz Elementary	\$12.84
Cave Creek	9.36
Fountain Hills	10.67
Paradise Valley	11.66
Tempe	12.14

Source: Maricopa County Department of Finance Publications On-Line "2002 County Tax Rates"

Property Tax Levies - Direct and Overlapping Governments

Table Xib

Last Ten Fiscal Years (in thousands of dollars)

School Districts													
Fiscal Year	City of Scottsdale	Scottsdale Unified	Community College	Maricopa County	State of Arizona	Flood District	Central Arizona Project	Fire District	Library	East Valley Institute of Technology	Education Equalization	Total	
1994 P	\$ 6,564	\$ 63,549	\$ 113,440	\$ 140,248	\$ 62,492	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,470	\$ 456,763	
S	10,569	22,690	-	25,360	-	35,142	18,906	1,404	5,631	3,596	-	123,298	
TOTAL	17,133	86,239	113,440	165,608	62,492	35,142	18,906	1,404	5,631	3,596	70,470	580,061	
1995 P	8,208	67,793	118,842	164,865	62,521	-	-	-	-	-	70,502	492,731	
S	12,064	21,559	-	428	-	35,319	18,930	1,447	5,638	2,864	-	98,249	
TOTAL	20,272	89,352	118,842	165,293	62,521	35,319	18,930	1,447	5,638	2,864	70,502	590,980	
1996 P	7,961	71,686	127,583	156,257	63,421	-	-	-	-	2,391	71,517	500,816	
S	13,514	23,677	23,643	20,671	-	36,078	19,767	1,518	1,398	1,452	-	141,718	
TOTAL	21,475	95,363	151,226	176,928	63,421	36,078	19,767	1,518	1,398	3,843	71,517	642,534	
1997 P	10,031	71,235	136,570	154,487	-	-	-	-	-	3,232	74,071	449,626	
S	14,378	26,054	10,100	22,590	-	38,118	20,080	1,567	6,038	6,120	-	145,045	
TOTAL	24,409	97,289	146,670	177,077	-	38,118	20,080	1,567	6,038	9,352	74,071	594,671	
1998 P	9,919	75,973	146,259	169,046	-	-	-	-	-	3,673	79,533	484,403	
S	18,283	29,651	25,144	21,447	-	42,339	22,013	1,646	6,620	4,275	-	171,418	
TOTAL	28,202	105,624	171,403	190,493	-	42,339	22,013	1,646	6,620	7,948	79,533	655,821	
1999 P	10,615	82,281	158,026	183,750	-	-	-	-	-	4,247	84,892	523,811	
S	19,689	32,607	21,174	22,059	-	44,670	23,537	1,737	7,078	5,130	-	177,681	
TOTAL	30,304	114,888	179,200	205,809	-	44,670	23,537	1,737	7,078	9,377	84,892	701,492	
2000 P	12,204	96,625	170,116	207,541	-	-	-	-	-	3,970	91,109	581,565	
S	20,543	33,734	28,833	20,264	-	44,311	26,148	1,874	7,863	5,922	-	189,492	
TOTAL	32,747	130,359	198,949	227,805	-	44,311	26,148	1,874	7,863	9,892	91,109	771,057	
2001 P	13,653	99,482	187,643	225,397	-	-	-	-	-	4,786	99,193	630,154	
S	18,928	38,232	31,377	24,051	-	44,309	27,141	1,997	8,790	6,155	-	200,980	
TOTAL	32,581	137,714	219,020	249,448	-	44,309	27,141	1,997	8,790	10,941	99,193	831,134	
2002 P	14,313	110,638	204,648	252,676	-	-	-	-	-	5,198	106,221	693,694	
S	21,853	40,515	34,930	20,072	-	45,323	29,787	2,086	9,646	6,259	-	210,471	
TOTAL	36,166	151,153	239,578	272,748	-	45,323	29,787	2,086	9,646	11,457	106,221	904,165	
2003 P	16,393	114,544	221,157	277,949	-	-	-	-	-	6,120	112,231	748,394	
S	22,766	42,133	36,526	19,566	-	44,868	31,805	1,859	10,297	6,176	-	215,996	
TOTAL	39,159	156,677	257,683	297,515	-	44,868	31,805	1,859	10,297	12,296	112,231	964,390	

Source: Maricopa County Department of Finance Publications On-Line "Tax Levy 2002"

The primary (P) tax levy is for maintenance and operation of cities, school districts, community college districts, counties, and the state. The secondary (S) tax levy is for debt retirement, voter-approved budget overrides, and maintenance and operation of special state districts.

Principal Taxpayers**Table XII**

June 30, 2003

Taxpayer	Type of Business	Assessed Valuation (in thousands of dollars)	% of Secondary Assessed Valuation
Arizona Public Service Company	Gas and Electric Utility	\$ 49,923	1.42%
Scottsdale Fashion Square	Shopping Center	49,808	1.41%
Qwest Communications, Inc.	Telecommunications	30,364	0.86%
First American Tax Valuation	Resort	24,186	0.69%
Gainey Drive Associates	Resort	21,438	0.61%
General Dynamics	Industrial Park	19,519	0.55%
Wyndham International	Resort	12,675	0.36%
Southwest Gas Corporation	Gas Utility	12,668	0.36%
CMD Properties Inc.	Office Buildings	12,215	0.35%
Scottsdale Fiesta Plaza	Shopping Center	10,186	0.29%
		\$ 242,982	6.90%

Source: The City of Scottsdale's Property Tax Auditor, as obtained from the Arizona Department of Revenue, CVP Department and the 2002 Maricopa County Treasurer's Roll.

The Salt River Project Agricultural Improvement and Power District's (SRP) assessed valuation is not reflected in the total assessed valuation of the City. SRP is subject to a "voluntary contribution" in lieu of ad valorem taxation. The 2002/03 secondary assessed valuation of the Salt River Project within the City is \$21,682,030. The estimated secondary in lieu contribution is \$202,864.

Special Assessment Billings and Collections**Table XIII**

Last Ten Fiscal Years (in thousands of dollars)

Fiscal Year	Special Assessments Billed	Current Assessments Collected
1994	\$ 3,523	\$ 4,083
1995	3,381	4,222
1996	5,438	5,696
1997	4,390	5,026
1998	3,373	3,755
1999	2,849	3,464
2000	2,675	3,056
2001	2,268	2,531
2002	1,690	1,989
2003	1,402	1,730

Source: City of Scottsdale Financial Services Department

**Ratio of Net General Obligation Bonded Debt to Assessed Value
and Net Bonded Debt Per Capita**

Table XIV

Last Ten Fiscal Years

Fiscal Year	Assessed Value	Population June 30	General Obligation Bonded Debt	Less Fund Balance Reserved for Debt Service	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1994	\$ 1,352,922,237	154,960	\$ 110,965,000	\$ 3,478,905	\$ 107,486,095	7.9%	\$ 693.64
1995	1,399,126,179	168,176	121,915,000	342,402	121,572,598	8.7%	722.89
1996	1,530,088,317	172,820	131,340,000	829,933	130,510,067	8.5%	755.18
1997	1,591,801,942	180,240	152,235,000	588,100	151,646,900	9.5%	841.36
1998	1,839,050,044	189,060	165,140,000	2,270,562	162,869,438	8.9%	861.47
1999	2,102,351,943	197,250	182,200,000	4,305,508	177,894,492	8.5%	901.87
2000	2,484,385,416	202,705	237,609,000	1,993,643	235,615,357	9.5%	1,162.36
2001	2,877,733,056	210,770	262,484,000	5,158,963	257,325,037	8.9%	1,220.88
2002	3,277,950,767	215,320	319,657,000	8,448,962	311,208,038	9.5%	1,445.33
2003	3,526,604,612	218,940	305,003,000	9,006,329	295,996,671	8.4%	1,351.95

Source: City of Scottsdale Financial Services Department

Includes all General Obligation Bonds outstanding at June 30 except for the 1986 Water System Improvement General Obligation Bonds and all general obligation refunding bonds paid out of the Water Enterprise Fund. Excludes accretion on capital appreciation bonds and original issue premium. Also excludes all general obligation bonds of community facilities districts, since such bonds are not obligations of the City.

Includes the fund balance of the General Obligation Bond Debt Service Fund only.

Computation of Legal Debt Margins

Table XV

June 30, 2003 (in thousands of dollars)

Net Secondary Assessed Valuation as of June 30, 2003	\$	3,526,605
Debt Limit Equal to 20% of Assessed Valuation		705,321
General Obligation Bonded Debt Subject to 20% Debt Limit (net of amounts available in Debt Service Funds for payment on July 1, 2003):		
1993 Refunding	\$	7,596
1989 Series D (1993)		2,905
1993A Refunding		14,654
1997 GO Refunding		17,405
1989 GO Series I (1998)		4,445
1999 Preservation GO		18,400
2001 Preservation GO		29,210
2001 Refunding		47,155
2002 GO Series		55,000
2002 Refunding		40,630
Net Outstanding Bonded Debt Subject to 20% Limit		237,400
Legal 20% Debt Margin (Available Borrowing Capacity)	\$	467,921
Debt Limit Equal to 6% of Assessed Valuation	\$	211,596
General Obligation Bonded Debt Subject to 6% Debt Limit (net of amounts available in Debt Service Funds for payment on July 1, 2003):		
1993 GO Refunding	\$	12,429
1993A Refunding		2,526
1997 Series H Roads		2,415
1997 GO Refunding		2,445
1989 Series I (1998)		4,465
1999A Streets		4,948
1999A Pima Road		1,502
2001 Refunding		2,415
2002 GO Series		11,260
2002 Refunding		27,290
Net Outstanding Bonded Debt Subject to 6% Limit		71,695
Legal 6% Debt Margin (Available Borrowing Capacity)	\$	139,901

⁽¹⁾ Under Arizona law, cities can issue general obligation bonds for purposes of water, sewer, light, parks, and open space purposes, but outstanding bonds issued for such purposes may not exceed 20 percent of the City's net secondary assessed valuation. Outstanding general obligation bonded debt for all other purposes may not exceed 6 percent of the city's net secondary assessed valuation.

⁽²⁾ The computation of legal debt margins excludes premium on capital appreciation bonds.

⁽³⁾ General obligation bonds of community facilities districts are not subject to or included in this computation since they are not bonds of the City of Scottsdale.

Source: City of Scottsdale Financial Services.

Summary of General Governmental Bond Expenditures and Debt Ratios

Table XVI

Last Ten Fiscal Years (in thousands of dollars)

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Operating Expenditures	Ratio of Total Debt Service To Total Operating Expenditures
1994	\$ 4,585	\$ 4,897	\$ 9,482	\$ 122,505	7.74%
1995	5,050	6,860	11,910	134,366	8.86%
1996	5,575	7,493	13,068	153,841	8.49%
1997	6,605	8,064	14,669	169,417	8.66%
1998	8,140	8,394	16,534	184,165	8.98%
1999	8,140	9,099	17,239	211,051	8.17%
2000	10,400	12,555	22,955	223,734	10.26%
2001	11,150	13,038	24,188	245,924	9.84%
2002	12,850	15,407	28,257	251,142	11.25%
2003	15,885	17,664	33,549	259,960	12.91%

Source: City of Scottsdale Financial Services Department

Amounts exclude 1986 Water System Improvement General Obligation Bonds and all general obligation refunding bonds paid out of the Water Enterprise Fund. Also excluded are all general obligation bonds of community facilities districts, since such bonds are not obligations of the City.

Includes total expenditures of the General, Special Revenue, and Debt Service Funds.

Summary of Water and Sewer Utility Bond Expense and Debt Ratios

Table XVII

Last Ten Fiscal Years (in thousands of dollars)

Fiscal Year	Operating Revenue	Operating & Maintenance Expenses	Net Operating Revenue	Development Fee Revenue	Total Net Revenue	Revenue Bond Expense	General Obligation Bond Expense	Total Bond Expense
1994	\$ 49,233	\$ 33,423	\$ 15,810	\$ 12,377	\$ 28,187	\$ 2,672	\$ 3,124	\$ 5,796
1995 ⁽¹⁾	56,900	31,738	25,162	14,934	40,096	3,216	3,927	7,143
1996	68,523	39,422	29,101	15,821	44,922	2,898	3,987	6,885
1997	74,708	41,621	33,087	18,896	51,983	3,231	3,402	6,633
1998	76,468	42,056	34,412	27,463	61,875	4,375	2,112	6,487
1999	85,411	49,264	36,147	32,723	68,870	7,951	3,527	11,478
2000	83,305	46,953	36,352	24,581	60,933	7,436	4,367	11,803
2001	87,417	53,421	33,996	26,361	60,357	6,538	5,290	11,828
2002	97,802	49,840	47,962	15,087	63,049	6,535	5,345	11,880
2003	95,064	46,991	48,073	17,648	65,721	6,510	5,402	11,912

Fiscal Year	Ratio of Total Net Revenue to Total Bond Expense	Ratio of Net Operating Revenue to Total Bond Expense	Ratio of Net Operating Revenue to Revenue Bond Expense	Ratio of Total Net Revenue to Revenue Bond Expense	Revenue Bond Indenture Required Ratio
1994	4.86	2.73	5.92	10.55	1.20
1995 ⁽¹⁾	5.61	3.52	7.82	12.47	1.20
1996	6.52	4.23	10.04	15.50	1.20
1997	7.84	4.99	10.24	16.09	1.20
1998	9.54	5.30	7.87	14.14	1.20
1999	6.00	3.15	4.55	8.66	1.20
2000	5.16	3.08	4.89	8.19	1.20
2001	5.10	2.87	5.20	9.23	1.20
2002	5.31	4.04	7.34	9.65	1.20
2003	5.52	4.04	7.38	10.10	1.20

Source: City of Scottsdale Financial Services Department

Revenue - includes all operating revenues and interest earnings recorded in the Water and Sewer Utility Enterprise Fund.

Expenses - includes total operating expenses and interest expense of the Water and Sewer Utility Enterprise Fund, excluding depreciation and amortization.

⁽¹⁾1995 interest expense has been restated to reflect an accounting adjustment.

Total Direct and Overlapping General Obligation Debt**Table XVIII**

(in thousands of dollars)

The City's proportionate share of general obligation debt of all local governmental units which provide services within the City's boundaries and which must be borne by properties in the City is summarized below:

Name of Governmental Unit	Net Bonds Outstanding	% Applicable within the City of Scottsdale	\$ Applicable within the City of Scottsdale
Maricopa County	\$ 39,515	14.4196%	\$ 5,698
Maricopa County Community College District	305,750	14.4196%	44,088
Tempe Elementary School District No. 3	66,645	0.0002%	-
Balsz Elementary School District No. 31	18,805	4.0186%	756
Scottsdale Unified School District No. 48	265,710	69.6978%	185,194
Paradise Valley Unified School District No. 69	334,110	31.9658%	106,801
Cave Creek Unified School District No. 93	54,570	62.3736%	34,037
Fountain Hills Unified School District No. 98	30,690	2.2883%	702
Phoenix Union High School District No. 210	170,935	0.2748%	470
East Valley Institute of Technology District No. 401	12,055	19.6798%	2,373
Scottsdale Mountain Community Facilities District	5,160	100.0000%	5,160
McDowell Mountain Community Facilities District	17,970	100.0000%	17,970
DC Ranch Community Facilities District	20,000	100.0000%	20,000
Via Linda Road Community Facilities District	3,225	100.0000%	3,225
Total Overlapping Debt			426,474
City of Scottsdale	305,003	100.0000%	305,003
Total Direct and Overlapping Debt			<u><u>\$ 731,477</u></u>

Source: Maricopa County Assessor's Office

Demographic Statistics

Table XIX

Last Ten Fiscal Years

Fiscal Year	Population ⁽¹⁾	Per Capita Income ⁽¹⁾	Median Age ⁽¹⁾	School Enrollment ⁽²⁾	Unemployment Rate ⁽³⁾
1994	154,960	\$ 28,800	39.1	22,096	3.4%
1995	168,176	30,300	39.1	24,089	2.5
1996	172,820	31,900	39.1	24,467	2.6
1997	180,240	33,600	39.7	25,103	2.1
1998	189,060	35,400	39.7	26,011	1.9
1999	197,250	37,200	39.7	26,796	2.1
2000	202,705	39,158	41.0	25,985	1.9
2001	210,770	41,200	41.0	26,101	2.8
2002	215,320	43,400	41.0	26,051	3.8
2003	218,940	43,400	42.1	26,051	3.7

Sources:

⁽¹⁾ City of Scottsdale Planning staff

⁽²⁾ Arizona Department of Education (Enrollment statistics are not available until six months after the close of the fiscal year. The numbers presented on each line represent the prior year's statistics.)

⁽³⁾ Arizona Department of Economic Security - Arizona Unemployment Statistics Program Special Unemployment Final Report

Property Value and Construction

Table XX

Last Ten Fiscal Years (in thousands of dollars)

Fiscal Year	Property Value ⁽¹⁾			Commercial Construction ⁽²⁾		Residential Construction ⁽²⁾	
	Commercial	Residential	Nontaxable	Number of Permits	Value	Number of Dwelling Units	Value
1994	\$ 3,265,815	\$ 6,294,430	\$ 671,710	2,516	\$ 153,331	4,595	\$ 593,418
1995	3,269,864	6,810,085	743,351	2,751	162,541	4,954	652,363
1996	3,345,470	8,024,934	735,698	2,923	152,488	4,449	607,708
1997	3,400,495	8,448,076	723,545	3,275	305,836	4,451	621,891
1998	3,658,231	10,217,960	806,235	3,512	595,530	5,102	792,477
1999	4,352,786	9,951,148	2,351,799	3,665	437,945	4,486	775,957
2000	5,209,857	13,386,035	923,343	3,296	294,157	4,134	743,286
2001	6,175,315	15,670,793	844,520	2,957	291,003	3,325	615,942
2002	6,651,152	18,219,402	1,307,018	2,464	247,372	2,019	453,430
2003	7,256,497	19,211,932	1,866,782	2,215	199,223	2,046	400,500

Source:

(1) Arizona Department of Revenue 2002 Abstract of the Assessment Roll

(2) City of Scottsdale Planning and Development Services Department Building Inspection Services

Schedule of Insurance

Table XXI

June 30, 2003

Carrier	Policy Description	Amount of Coverage
Allianz Insurance Company	Property Insurance Repair or Replace \$100,000 Deductible	Various Limits By Peril
AIG Group and various layers of coverage	Excess Liability Coverage \$2,000,000 Deductible Per Occurrence	\$40,000,000 Per Occurrence and Aggregate
ACE/Lloyds of London	Airport Premises and Hangarkeepers Liability	\$100,000,000 Per Occurrence and Aggregate
Midwest Employees Casualty Company	Excess Workers' Compensation Coverage \$600,000 Deductible each Occurrence	Statutory
Great American Insurance Company	Fidelity/Crime Insurance \$25,000 Deductible	\$5,000,000 Annual Maximum Amount

Source: City of Scottsdale Financial Services Department Risk Management Division

Salaries and Surety Bonds of Principal Officials**Table XXII**

For Fiscal Year Ended June 30, 2003

Official Title	Salary	Bond
Mayor	\$ 36,000	\$ 1,000,000*
Councilmen (6)	18,000	included in above
City Manager/City Treasurer	153,941	included in above
City Clerk	79,664	included in above
City Attorney	125,362	included in above
City Judge	121,805	included in above
City Auditor	97,552	included in above

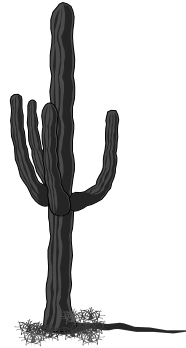
*annual maximum amount

Employee Dishonesty and Computer/Wire Fraud Coverage	
Employee Dishonesty Coverage - All City Employees	\$5,000,000 annual maximum amount
Computer/Wire Fraud Coverage - Accounting Staff With Wire Transfer Authority	\$5,000,000 annual maximum amount

Source: City of Scottsdale Financial Services Department

Date of Incorporation - **June 25, 1951**
Date Charter Adopted - **November 16, 1961**
Form of Government - **Council/Manager**

Population		
1950 Census	-	2,032
1960 Census	-	10,026
1965 Special Census	-	54,504
1970 Census	-	67,823
1975 Special Census	-	78,065
1980 Census	-	88,412
1985 Census	-	108,447
1990 Census	-	130,069
1995 Census	-	168,176
2000 Census	-	202,705
2002 Est. 6/30/02	-	215,320
2003 Est. 6/30/03	-	218,940



Area (Square Miles)		
1951	-	.62
1961	-	8.80
1970	-	62.20
1975	-	85.80
1979	-	88.60
1982	-	113.60
1986	-	183.60
1987	-	184.00
1988	-	184.60
1990	-	184.60
2000	-	184.60
2001	-	184.60
2002	-	184.60
2003	-	184.60

Miles of Sewers

Storm 68.7
Sanitary..... 1,262

Fire Protection

Number of Stations 12

The City of Scottsdale has no fire employees but contracts with Rural/Metro Corporation to provide fire service to all residents.

Police Protection

Number of Employees 605
Number of Traffic Charges (Excluding parking and Criminal) 40,672
Number of Photo Radar Citations (Began Photo Radar in Jan. 1997) 21,809
Number of Vehicles..... 295

The City jail is a holding facility. All long-term prisoners are incarcerated in the County jail.

Recreation

Parks - Developed parks acreage 869
Number of Swimming Pools 3
Number of Other Recreation Facilities 60

These include schools and school playgrounds in cooperation with Scottsdale Unified School District and Paradise Valley School District.

Water Enterprise

Number of Water Customers..... 81,285
Annual Consumption (Gallons) 25,200,000,000
System Capacity (Gallons Per Day) 149,618,000
Miles of Distribution Lines 1,815

Number of Streetlights 10,300

Employees as of June 30, 2003

Full-Time..... 1,839
Part-Time..... 374
Grant and Trust funded – (# is included in full/part-time totals) 20
Total 2,213

Elections

Number of registered voters as of last general election, May 2002..... 110,664
% of registered voters voting in last general election 16.63%

Population

Median Age of Residents 42.1
Median Household Income (2000 Special Census) \$63,800
Median Home Value - Single Family \$220,800

Source: City of Scottsdale Financial Services Department